

Kerala Gazette No. 21 dated 26th May 2009.

PART I



GOVERNMENT OF KERALA

Local Self Government (DD) Department

NOTIFICATION

No. 16180/DD2/09 /LSGD.

Dated, Thiruvananthapuram, 29th April 2009.

The following draft of the Kerala Rural Employment Guarantee Fund Rules, 2009, which the Government of Kerala propose to make in exercise of the powers conferred by Section 32 of the National Rural Employment Guarantee Act, 2005 (Central Act 42 of 2005) is hereby published as required by sub-section (1) of the said section.

Notice is hereby given that the draft rules will be taken up for consideration on or after the expiry of a period of 30 days from the date of publication of this notification in the Gazette and that objections or suggestions, if any, in respect of the said draft rules, which may be received from any person, within the period specified above, will be considered by the Government. The objections or suggestions, if any, shall be addressed to the Principal Secretary to Government, Local Self Government (DD) Department, Secretariate Annexe, Thiruvananthapuram.

1. *Short title and commencement.*— (1) These rules may be called the Kerala State Employment Guarantee Fund Rules, 2009.
- (2) They shall come into force on the date of its publication in the official Gazette.

2. *Definitions.*— (1) In these rules, unless the context otherwise requires,—

- (a) “Act” means the National Rural Employment Guarantee Act, 2005 (Central Act 42 of 2005) ;
- (b) “State Fund” means the Kerala State Employment Guarantee Fund established under sub-section (1) of section 21 of the Act ;
- (c) “Management Committee” means the committee constituted by the State Government under rule 4 ;
- (d) “Member-Secretary” means Member-Secretary of the Management Committee ;
- (e) “Director of Local Fund Audit” means the State level head of the Department of Local Fund Audit and includes any other officer of the Local Fund Audit Department empowered by the Government to perform the functions of the Director of Local Fund Audit ;
- (f) “Auditor” means the Director of Local Fund Audit and includes any officer of the Local Fund Audit Department empowered by the Director to perform the functions of an Auditor under the Kerala Local Fund Audit Act, 1994 (Act 14 of 1994) ;
- (g) “Section” means a section of the Act ;
- (h) “State Government” means the Government of Kerala.

(2) The words and expressions used but not defined in this Rule and defined in the Act shall have the meanings respectively assigned to them in the Act.

3. *Establishment of the Fund.*—The State Government shall, by notification establish a fund to be called the Kerala State Employment Guarantee Fund (hereinafter referred to as the State Fund) with the objective of ensuring operational flexibility, timely and smooth flow of funds responding to labour demand and implementation needs. This Fund shall be expended and administered as a Revolving Fund in accordance with the provisions of the Act and the Rules.

4. *Constitution of Management Committee.*—For the management and Administration of the State Fund and to strengthen the present fund system a Management Committee consisting of the following officials shall be constituted, namely:—
 - (1) Principal Secretary, Local Self Government—Chairperson
Department.
 - (2) Commissioner for Rural Development—Member Secretary.
 - (3) Senior Finance Officer of the Commissionerate of Rural Development—Member.
 - (4) Director of Panchayats—Member.
 - (5) State Performance Audit Officer—Member.
 - (6) Mission Director, National Rural Employment Guarantee Scheme—Member.

5. *Functions and Powers of the Management Committee.*—The Management Committee shall perform and exercise the following functions and powers, namely:—
 - (a) scrutinise the Labour Budgets of the Districts and determine requirement of State Government share;
 - (b) ensure smooth flow of funds from Government of India to State Funds, from State Funds to the account of the District Programme Co-ordinator and from District Programme Co-ordinator to Local Self Government Institutions so as to effectively meet labour demand;
 - (c) review the flow of funds, expenditure incurred under the scheme and overall financial performance of the Scheme and make such recommendations to the State Government as it deems fit;
 - (d) manage and administer State Fund in accordance with the provisions of the Act and the rules;
 - (e) ensure compliance of guidelines for financial management of the Scheme prescribed by Government from time to time;
 - (f) ensure monthly reconciliation of the accounts of the State Funds;
 - (g) order enquiry based on complaints and information reports;

- (h) inspect or cause to be inspected any work, project or transaction made under the Scheme;
- (i) sanction studies, evaluations, action research, technical assistance and expert consultations based on the recommendation of the Kerala State Employment Guarantee Council;
- (j) nominate joint signatory to operate the State Fund;
- (k) review audit reports and the follow up action taken thereon;
- (l) review and approve annual audit of accounts of the State Fund; and
- (m) perform all such acts and do all such things as may be necessary for the proper management of the State Fund.

6. *Procedure for conduct of business of the Management Committee.—*

- (1) The Management Committee shall meet as and when necessary, but not more than three months shall intervene between any two meetings;
- (2) The Management Committee shall meet at such time and place as the Chairperson of the Management Committee may deem fit;
- (3) The meeting of the Management Committee shall be presided over by the Chairperson and in his absence by one of the members selected by the members present;
- (4) Each meeting of the Management Committee shall be convened by giving notice of not less than 7 days from the date of issue of such notice, to every member, in writing including the agenda of the meeting;
- (5) Every member shall have the power to vote in the meeting. In case of difference of opinion amongst the members present and voting on any matter it shall be decided on a majority of votes;
- (6) In the case of an equality of votes on any matter, the chairperson shall have a casting or a second vote.
- (7) The quorum of the meeting shall be three.
- (8) The member Secretary shall, within thirty days of a meeting, circulate the minutes of that meeting to the Members, duly approved by the chairperson.

7. *Special Meeting.*— The Chairperson of the Managing Committee may convene Special Meeting of the Committee to consider any matter of special importance or on urgency. Every notice calling for a special meeting of the Management Committee shall be issued at least two days in advance.
8. *Annual Meeting.*— (1) Annual meeting of the Managing Committee shall be held once in every Financial year and not more than 15 months after the preceding Annual Meeting.
 - (2) The annual budget for the succeeding year shall be placed before the Managing Committee in its Annual Meeting for appraisal by the Member Secretary.
 - (3) The Audited Statement of Accounts together with Audit Report shall be placed before the Managing Committee in its Annual Meeting for approval.
9. *Duties, responsibilities and functions of the Member-Secretary.*—The Member Secretary shall have the following duties and functions, namely:—
 - (a) to convene meetings of the Management Committee;
 - (b) to furnish all reports, returns and other necessary documents required to be furnished under the Act to the Central/State Government;
 - (c) to maintain records of the meetings of the Management Committee and circulate the minutes among the members;
 - (d) to receive grants-in-aid and accept other grant of money, donations and contributions and enter into any agreement or arrangements with donor organizations or individuals for receiving such assistance;
 - (e) to administer the routine affairs of the State Fund in accordance with the directions given by the Management Committee from time to time;
 - (f) to keep account of all the financial transactions of the Fund;
 - (g) to prepare annual accounts of the Fund and get them audited by Local Fund Audit;

- (h) to liaise with the Government of India, State Government and other Departments to achieve the objectives of the fund;
 - (i) to execute all legal documents on behalf of the Management Committee;
 - (j) to sue and be sued on behalf of the Management Committee;
 - (k) to review the physical and financial performance of the Scheme;
 - (l) to ensuring pre-audit before the release of funds to the Districts;
 - (m) to ensure monthly reconciliation of the State Fund account;
 - (n) to present annual Budget before the Management Committee.
10. *Operation of the Fund.*—(1) The State Fund shall be maintained in a separate interest bearing Savings Bank account in a Nationalised Bank which shall be non lapsable.
- (2) The account of the State Fund shall be in the name of the Kerala State Employment Guarantee Fund.
 - (3) The State Fund shall be operated jointly by the Member Secretary and the Mission Director or any other Officer authorised by the Managing Committee from time to time.
 - (4) The State Government or any other authority shall not create any encumbrance on the State Fund.
11. *Estimation of Labour Budget.*—The District Programme Co-ordinators shall submit to the Commissioner for Rural Development, in the month of December every year, a Labour Budget for the next financial year containing the details of anticipated demand for unskilled labour in the district and the plan for engagement of labourers in the works contained in the scheme. Based on the Labour Budget prepared by the District Programme Co-ordinators, the Commissioner for Rural Development shall formulate and submit in the month of January every year a State Annual Work Plan and Budget Proposal of National Rural Employment Guarantee Scheme for the next financial year to the Management Committee and the Ministry of Rural Development so as to estimate requirement of funds.

12. *Source of funds.*—(1) The sources of State Fund shall be

- (a) National Rural Employment Guarantee Scheme funds received from Government of India
- (b) state share and any other grant received from State Government
- (c) contributions received from Local Self Government Institutions.
- (d) grant received from multi lateral and bilateral donor Organisations.
- (e) contributions from Public Sector Undertakings, Private Sector organisations registered under law and individuals.
- (f) donations from any other source which the Managing Committee deems fit.

(2) Modalities of receipt of funds:—

- (a) All State Government grants for National Rural Employment Guarantee Act shall be drawn and transfer credited to the State Fund by the Commissioner for Rural Development. The State share of National Rural Employment Guarantee Scheme funds as prescribed in the Act shall be released to the State Fund within 15 days of the release of the Central funds.
 - (b) The Committee may accept grants from multi lateral and bilateral agencies after entering into a Memorandum of Understanding (MoU) for the purpose with the approval of State Government.
 - (c) Contributions from Public Sector Undertakings and Private Sector Organisations mentioned under clause (e) may be accepted by the Committee after adopting a resolution to that effect.
- (3) All moneys received from the Central Government or from the State Government or any fund received from any other agency or any other accruals for implementations of the Scheme shall be treated as receipts to the State Fund shall be expended for the purpose for which they are received.

13. *Authority to Administer the State Fund.*—The Member Secretary shall be the authority for the day-to-day administration of the State Fund subject to the policy directives of the Managing Committee.
14. *Release of the State Fund.*—(1) The Member Secretary shall release funds to the District Programme Co-ordinator and Member-Secretary of State Council as the case may be in accordance with Act, Rules and Operational Guidelines prescribed by Government of India and the rules and directions issued by the Local Self Government Department of Government of Kerala from time to time.
 - (2) The Member Secretary shall give advance as he/she may consider necessary to the District Programme Co-ordinators pending regular release of funds in order to meet emergent needs and to meet any temporary shortage of funds on account of non completion of prescribed formalities. Such advances shall be adjusted against regular release. No further advance shall be sanctioned to a District Programme Co-ordinator where prior advance to him/her has not been adjusted.
 - (3) The decision on release of funds on extra ordinary situations shall be taken by the Member Secretary with the approval of the Chairperson.
 - (4) The sanctioned amount shall be released from the State fund to a separate Bank account at the District level maintained in a Nationalized Bank jointly by the District Programme Co-ordinator and Joint Programme Co-ordinator or District Programme Co-ordinator and Project Director, as the case may be, for the implementation of the Scheme. This amount shall also be non-lapsable.
15. *Usage of the State Fund.*—The State Fund shall be utilised to meet expenditure connected with the implementation of the National Rural Employment Guarantee Scheme (Kerala) including payment of wages-unskilled, semi-skilled and skilled, cost of material componet, expenditure on administration subject to the ceiling prescribed by Central Government from time to time, monitoring, evaluation, studies, technical assistance for planning, training, expert consultation and any other expenditure of the State Council.

16. *Maintenance of Books of Account and Records.*—The Member Secretary shall maintain fund allotment register and such other books of accounts as may be prescribed by the Government and submit such statements and reports to the Management Committee in such form as may be directed by the Government from time to time.
17. *Inspection.*—The Member Secretary shall accord facilities for inspection of the accounts of the State Fund by any authority authorized by the Government or the Management Committee.
18. *Audit.*—The Grants released from the State Fund shall be audited by the Comptroller and Auditor General and Director of Local Fund Audit Department. The internal audit shall be done by the Commissioner for Rural Development on behalf of the State Government.
19. *Auditor.*—Director of Local Fund Audit Department shall be the Auditor of the State Fund.
20. *Authority for filing Audited Statements.*—The Member Secretary and the Mission Director shall monitor the operation of the State Fund and furnish audited accounts and Utilisation Certificates to the Ministry of Rural Development, State Government, Management Committee and Comptroller and Auditor General.
21. *Pro-active Disclosure.*—The Commissioner for Rural development shall voluntarily publish all minutes of the Committee Meetings, Fund Flow Statement, Monthly Expenditure Statement and Audit Reports in a free down loadable electronic form through website.
22. *Annual Report.*—Within three months of the close of the financial year the Managing Committee shall furnish to the State Employment Guarantee Council an Annual Report on the implementation of the Scheme and the management of the State Fund together with the Audited Statement of accounts.

By order of the Governor,

S. M. VIJAYANAND,

Principal Secretary to Government (LSGD).